GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:379
ANSWERED ON:18.08.2000
ASSETS RECONSTRUCTION COMPANIES
PRAKASH MANI TRIPATHI

Will the Minister of FINANCE be pleased to state:

(a) whether the Chief Executives of the public sector banks have been asked to set up Asset Reconstruction Companies to tackle the problem of Non-Performing Assets; and

(b) if so, the steps taken by the public sector banks in this regard so far?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI BALASAHEB VIKHE PATIL)

(a) to (b) : In the budget speech for 1998-99, it was announced that banks with a high level of non-performing assets would be encouraged to set up Asset Reconstruction Companies (ARCs) on an experimental basis. Consequent thereon the question of setting up one or more ARCs was gone into in detail by the Government and the Reserve Bank of India.The modalities of setting up ARCs are under consideration.